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MEMORANDUM OF RECORD

SUBJECT: Staff Meeting Minutes for February 1, 2000

DCMC CONTRACT BUSINESS OPERATIONS INITIATES PAYMENT PROCESS IMPROVEMENT PLAN. The Contract Financing and Payments Group, Contract Business Operations Directorate, recently held a kick-off meeting for its new Payment Process Improvement initiative. The meeting was held in Columbus, Ohio on January 5th and 6th. Other attendees included representatives from DCMC's East and West Districts and DCMC's Customer Liaison Representative to DFAS Columbus. The group's goal is to identify which steps in the end-to-end payment process have contributed most significantly to payment problems, and then drill down to the root causes of the problems. Once root causes have been identified, the group will recommend solutions. For problems with root causes outside DCMC, DCMC will offer to team with others, as appropriate, to implement solutions.

DEFENSE CONTRACT MANAGEMENT COMMAND (DCMC) SUPPORTS CONTRACT PROPERTY DISPOSITION COURSE. On January 12/13, 2000, the DCMC Deputy Director for Government property provided workshops to students enrolled in the Defense Acquisition University, IND 102, Contract Property Disposition Course presented by the Defense Acquisition University. These workshops emphasized DoD's commitment to reducing the amount of Government property in the possession of contractors, the new paperless system (Plant Clearance Automated Reutilization Screening System (PCARSS)) for disposing of excess Government property, and the proposed Federal Acquisition Regulation, Part 45

FEDERAL ACQUISITION REGULATION (FAR) PROPOSED RULE, PART 45 GOVERNMENT PROPERTY. A proposed rule has been published in the January 10, 2000, Federal Register (Volume 65, Number 6) to simplify procedures, reduce record keeping, and eliminate requirements relating to the management and disposition of Government property in the possession of contractors. This proposed rule provides contractors the option of managing Government property under a standard process based system or managing Government property using the same business practices the contractors use to manage their own property. Contractors that elect to use their property management practices to manage the Government's property in lieu of standard processes must accept increased liability for property losses. Comments on the proposed rule are due to the FAR Secretariat before March 10, 2000 to be considered in the formulation of a final rule.

INTEGRATED PROGRAM MANAGEMENT INITIATIVE EXECUTIVE STEERING GROUP MEETING. On 13 January 2000 DCMC attended a meeting of the Integrated Program Management Initiative Executive Steering Group (IPMI ESG). The meeting

was attended by the representatives from 3 Military Service members to the ESG, and ESG chairman from OUSD (AT&L)/ Office of Acquisition Program Management. The purpose of the meeting was to discuss the status, progress and future plans for implementing the transition of acquisition programs to a Integrated Digital Environment. The meeting was held at the Navy Acquisition Related Business Systems Office in Crystal VA. The ESG members have been working to develop guidance for IDE implementing the IDE initiative, and establishing metrics to measure the transition to IDE.

MRM/DRID UPDATE BRIEFING TO DEPUTY SECRETARY OF DEFENSE (DEPSECDEF). On January 20, 2000, DCMC briefed the DEPSECDEF on the status and recommendations of Management Reform Memorandum (MRM) 10 - Redesigning DoD Source Acceptance Policies and Procedures, MRM 5- Disposal of Excess Government-Owned Property, Defense Reform Initiative Directive (DRID) 32- Paperless Contract Closeout, DRID 33- Paperless DD Form 250, Material Inspection and Receiving Report, and proposed DRID XX- Reconciliation of Contracts in the Mechanization of Contract Administration Services (MOCAS) System. It was agreed to close MRM 10 and consider follow on DRID: End-to-End QA, close MRM 5 and shift focus to new FAR part 45, close DRIDs 32 and 33 and include process changes in DRID 47- End-to-End Procurement Process, and issue DRID XX.

LIFE CYCLE INTEGRATED PRODUCT DIGITAL ENVIRONMENT (LIPDE) WORKING GROUP MEETING. On 18 January 2000, DCMC attended the LIPDE working group meeting held at the Headquarter for the Army Material Command. The purpose of the working group meeting was to work on identifying acquisition and logistics digital data requirements to be used in the development of a joint service capstone for requirement document. Members from the acquisition IDE Executive Steering Group and LIPDE working group have recently begun to coordinate their IDE activities to avoid redundant efforts.

SOFTWARE ASSESSMENT INTEGRATED PROGRAM TEAM (IPT). DCMC participated in the first meeting of the Software Assessment IPT on January 19, 2000. The IPT will be responsible for providing recommendations to the Deputy Undersecretary of Defense for Science and Technology (DUSD (S&T) for implementing the policy relative to Software Evaluations for ACAT 1 Programs that was issued on October 26, 1999. The first item to be considered by the team will be defining the attributes associated with the Software Capability Maturity Model (CMM) Level III. A comparison of the Key Process Areas of the CMM to the questions that constitute the Air Force developed Software Development Capability Evaluation (SDCE) will perform as a benchmark to begin accomplishing this task. The next meeting will be held on March 1, 2000, where the results of the analysis will be performed.

DCMC HQ ATTENDANCE AT RAYTHEON CORPORATE COUNCIL MEETING, TUSCON, AZ. A DCMC HQ representative attended a Raytheon Corporate Council Meeting on January 19, 2000. The meeting was held at their Tucson, AZ location. Topics discussed were: a report on the last Single Process Initiative Executive Council Meeting; reports from the segment councils; a discussion on the Raytheon restructuring

and impact on council structure; single process initiatives on property administration; and a discussion on strategic alliances. Following the meeting, the group toured the Tucson facility and their Knowledge Center. The facility is set up using the "agile manufacturing" concept. The next Raytheon Corporate Council meeting is scheduled for April 27, 2000 in Lexington, MA.

SINGLE PROCESS INITIATIVE (SPI) WORKSHOP RECOMMENDATION IN-PROCESS REVIEW. DCMC provided a progress report to the Deputy Under Secretary of Defense (Acquisition Reform) on the status of implementing the recommendations developed during the July 19-21, 1999 SPI workshop. The recommendations focused on improving the SPI process. Policy improvements are planned in the areas of Corporate Councils, escalation of concept papers, regulatory and statutory concept papers, cost benefit analysis, and the role of the Component Team Leader. A working group chaired by Defense Systems Management College was established to address training needs. The next update will be provided at the SPI Executive Council meeting on March 27, 2000.

DCMC HQS MEETS WITH CONTRACTOR TO DISCUSS LESSONS LEARNED. Members of the DCMC Contract Business Operations Team, DCMC District East Functional and Systems Support Team, and the Commander and Administrative Contracting Officer from DCMC Lockheed Martin Marietta, met with contractor personnel from Lockheed Martin Marietta to discuss lessons learned from problems experienced with payments at the end of the year. DCMC and the contractor exchanged ideas for improvement in the areas of Commercial Item Financing Payments, Public Vouchers, and DD Form 250 invoicing that included the need for training, appropriate and clear documentation on invoices, and continued dialogue between the contractor, DCMC and DFAS

APPROVED:

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